

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

ADDITION OF GIFT CARDS PRICE CATEGORY TO  
GREETING CARDS AND STATIONERY PRODUCT

Docket No. MC2014-26

**NOTICE OF FILING OF NONPUBLIC LIBRARY REFERENCE  
USPS-LR-MC2014-26/NP1**

(June 9, 2014)

The United States Postal Service hereby provides notice of filing material under seal as a Category 4 nonpublic library reference. The below listed library reference is associated with the Postal Service's request to add Gift Cards as a price category under the Greeting Cards and Stationary product, filed today, June 9, 2014:

**USPS-LR-MC2014-26/NP1**

**Estimated Cost Coverage Calculations**

The Postal Service believes that the library reference, which consists of an Excel workbook containing revenue and cost information related to the Postal Service's proposed sale of gift cards, is exempt from public disclosure, pursuant to 5 USC 552(b)(3) and 39 USC 410(c)(2), as commercial information that would not be publicly disclosed under good business practice. Accordingly, an Application for Non-Public Treatment for the protection of this information is being submitted with this pleading as Attachment A.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Pricing and Product Support

John F. Rosato  
David H. Rubin

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-8597, Fax -6187  
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**APPLICATION FOR NONPUBLIC TREATMENT  
OF LIBRARY REFERENCE USPS-LR-MC2014-26/NP1**

In accordance with 39 C.F.R. § 3007.21 and Order No. 225, the United States Postal Service hereby applies for nonpublic treatment of information filed under seal with the Commission as USPS-LR-MC2014-26/NP1. This material, which is being filed as part of the Postal Service's request to add Gift Cards as a price category under the Greeting Cards and Stationary product, contains revenue and cost information related to the proposed classification change. It would be impractical to create a redacted version of the workbook without redacting every substantive cell.

By operation of 39 U.S.C. § 410(c)(2), information of a commercial nature, which under good business practice would not be publicly disclosed, is not required to be disclosed to the public. The Commission may determine the appropriate level of confidentiality to be afforded to such information after weighing the nature and extent of the likely commercial injury to the Postal Service against the public interest in maintaining the financial transparency of a government establishment competing in commercial markets. 39 U.S.C. § 504(g)(3)(A). Because the information covered by this application falls within the scope of information not required to be disclosed publicly, the Postal Service asks the Commission to support its determination that these materials are exempt from public disclosure and grant its application for their nonpublic treatment.

**(1) The rationale for claiming that the materials are nonpublic, including the specific statutory basis for the claim, and a statement justifying application of the provision(s);**

The Excel workbook contained in USPS-LR-MC2014-26/NP1 includes commercial information related to the Postal Service's proposed sale of gift cards, which under good business practice, would not be publicly disclosed. Therefore, it should be exempt from mandatory disclosure pursuant to 39 U.S.C. § 410(c)(2) and 5 U.S.C. § 552(b)(3) and (4).<sup>1</sup> The Postal Service believes that no commercial enterprise would voluntarily disclose the revenue and cost information for a product that competes in a highly competitive marketplace.

**(2) Identification, including name, phone number, and email address for any third party who is known to have a proprietary interest in the materials, or if such an identification is sensitive, contact information for a Postal Service employee who shall provide notice to that third party;**

There are no known third parties with any proprietary interest in the materials being filed under seal.

**(3) A description of the materials claimed to be nonpublic in a manner that, without revealing the materials at issue, would allow a person to thoroughly evaluate the basis for the claim that they are nonpublic;**

The Excel workbook submitted as part of USPS-LR-MC2014-26/NP1 contains revenue and cost information related to the Postal Service's request to add Gift Cards

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<sup>1</sup> In appropriate circumstances, the Commission may determine the appropriate level of confidentiality to be afforded to such information after weighing the nature and extent of the likely commercial injury to the Postal Service against the public interest in maintaining the financial transparency of a government establishment competing in commercial markets. 39 U.S.C. § 504(g)(3)(A). The Commission has indicated that "likely commercial injury" should be construed broadly to encompass other types of injury, such as harms to privacy, deliberative process, or law enforcement interests. PRC Order No. 194, Second Notice of Proposed Rulemaking to Establish a Procedure for According Appropriate Confidentiality, Docket No. RM2008-1 (Mar. 20, 2009), at 11.

as a price category under the Greeting Cards and Stationary product, listed on the competitive product list.

**(4) Particular identification of the nature and extent of commercial harm alleged and the likelihood of such harm;**

If the Excel workbook contained in USPS-LR-MC2014-26/NP1 were to be disclosed publicly, the Postal Service considers it is quite likely that it would suffer commercial harm. Competitors could use the data to draw business away from Postal Service, thereby causing it to lose revenue.

**(5) At least one specific hypothetical, illustrative example of each alleged harm; Identified harm:**

**Harm:** The Postal Service loses revenue to a competitor.

**Hypothetical:** USPS-LR-MC2014-26/NP1 is disclosed publicly. The Postal Service's estimated revenues and costs are disclosed. Company B, a business in competition with the Postal Service for the sale of gift cards, obtains a copy of the unredacted version of the Excel workbook. Company B analyzes the information in the workbook to assess the Postal Service's underlying unit costs and revenues. Company B uses that information as a baseline to target the Postal Service's customer base by undercutting its prices.

**(7) The length of time deemed necessary for the nonpublic materials to be protected from public disclosure with justification thereof; and**

The Commission's regulations provide that nonpublic materials shall lose nonpublic status ten years after the date of filing with the Commission, unless the

Commission or its authorized representative enters an order extending the duration of that status. 39 C.F.R. § 3007.30.

**(8) Any other factors or reasons relevant to support the application.**

None.

***Conclusion***

For the foregoing reasons, the Postal Service requests that the Postal Regulatory Commission grant its application for nonpublic treatment of the information contained in USPS-LR-MC2014-26/NP1.